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**Capitol Services, Inc.**

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Date: 12/13/2007 02:27 PM Pg: 1 of 10

This instrument prepared by,

Susan D. Kennedy, Esq.  
Davis Polk & Wardwell  
450 Lexington Avenue  
New York, New York 10017

Tract A: APN Nos. 15-05-211-006, 15-05-211-007, 15-05-211-008, 15-05-212-001, 15-05-212-002, 15-05-212-003, 15-05-212-004, 15-05-212-008  
Tract B: APN Nos. 13-13-232-032, 13-13-232-029, 13-13-232-028, 13-13-232-027, 13-13-231-032, 13-13-231-031, 13-13-231-030, 13-13-231-033  
13-13-401-012, 13-13-401-010, 13-13-401-041, 13-13-401-006, 13-13-401-005  
Tract C: APN Nos. 14-05-210-015, 14-05-210-016, 14-05-210-022, 14-05-210-008, 14-05-210-006, 14-05-210-005, 14-05-210-004

## AMENDMENT NO. 2 TO SENIOR LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT (Facility Nos. 4-637, 671, & 690)

THIS AMENDMENT NO. 2 TO SENIOR LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT (this "Amendment") is made as of the \_\_\_ day of October, 2007 between KINDRED HEALTHCARE, INC. (formerly known as Vencor, Inc.) ("Healthcare") and KINDRED HEALTHCARE OPERATING, INC. (formerly known as Vencor Operating, Inc.) ("Operating"; together with Healthcare, the "Mortgagor"), with a mailing address of 680 South Fourth Avenue, Louisville, Kentucky 40202, and JPMORGAN CHASE BANK, N.A., a national banking association, as Collateral Agent for the Lenders, with a mailing address of 270 Park Avenue, New York, New York 10017 (the "Mortgagee").

WITNESSETH:

WHEREAS, in order to secure the obligations under that certain \$120,000,000 Credit Agreement dated as of April 20, 2001 (the "Original Credit Agreement"), among Operating, as borrower, Healthcare, as guarantor, the Lenders party thereto, the Swingline Bank party thereto, the LC Issuing Banks party thereto, and Morgan Guaranty Trust Company of New York (predecessor to Mortgagee) ("MGT"), as Administrative Agent and Collateral Agent, the Mortgagor executed and delivered to MGT that certain Senior Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement dated as of April 20, 2001 (as amended, modified, amended and restated or subordinated from time to time, the "Original Mortgage"), which Original Mortgage was recorded on April 24, 2001, as Instrument No. 0010335171, in Cook County, Illinois;

WHEREAS, in order to confirm and continue the lien of the Original Mortgage in connection with that certain Amended and Restated Credit Agreement, dated as of June 28, 2004 (the "Existing Credit Agreement"),

(NY) 27011-038/REAL ESTATE/AMENDMENT/S07/MORT.MDD,07/14537.671.690.doc

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4 x parcels

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among Healthcare, as borrower, the various financial institutions as are or may from time to time become parties thereto as the Lenders, and JPMorgan Chase Bank, N.A. (formerly The Chase Manhattan Bank, successor by merger to MGT) (“**JPM**”), as administrative agent and collateral agent for the Lenders, the Mortgagor and JPM executed and delivered Amendment No. 1 to Senior Leasehold Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement, which amendment was recorded on October 18, 2004, as Document No. 0429239056, in Cook County, Illinois;

WHEREAS, Healthcare, as Borrower, the Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and Collateral Agent (the “**Agent**”) amended and restated the Existing Credit Agreement pursuant to that certain Second Amended and Restated Credit Agreement dated as of July 18, 2007 (as it may be amended, modified, replaced or amended and restated from time to time, the “**Credit Agreement**”), pursuant to which, among other things, the Lenders have agreed to increase the maximum principal amount of Loan available thereunder by \$200,000,000, which is subject to a potential further increase of \$100,000,000 pursuant to the Credit Agreement (the “**Additional Availability**”) and to extend the maturity date of the obligations latest to mature;

WHEREAS, pursuant to Section 5.14 of the Credit Agreement, Mortgagor and Mortgagee are executing and delivering this Amendment to confirm the continuance of the lien of the Original Mortgage;

WHEREAS, in connection with the Credit Agreement, the Security Agreement was amended pursuant to that certain Second Amended and Restated Security Agreement dated as of July 18, 2007 (as it may be amended, modified, replaced or amended and restated from time to time, the “**Security Agreement**”) among the Credit Parties and the Agent;

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. *Amendment of Recitals and Definitions.* (a) The Recitals of the Original Mortgage, as amended, shall be deemed amended to include the recitals set forth in this Amendment and any reference in such Recitals to a maximum principal amount secured shall be amended to read in full as follows:

“This Mortgage secures a maximum principal amount of \$500,000,000 (increasable to \$600,000,000 as provided in the Credit Agreement) plus accrued unpaid interest and costs.”

(b) The definition of “Secured Obligations” is amended and restated to read in full as follows:

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“Secured Obligations” is defined in the Security Agreement.

2. *Reaffirmation of Lien and Grant of Lien.* The Mortgagor agrees as follows:

For and in consideration of the premises, and of the mutual covenants herein contained in the Original Mortgage, as previously amended and as amended by this Amendment, and in order to induce the Secured Parties to maintain and continue to make credit extensions to the Borrower, for the benefit of the Mortgagee and the other Secured Parties, and in order to secure the full, timely and proper payment, performance of and compliance with each and every one of the Secured Obligations, the Mortgagor hereby irrevocably (x) confirms the grants, bargains, sales, conveyances, mortgages, assignments, transfers and warranties previously made by the Mortgagor to the Mortgagee pursuant to the Original Mortgage, as previously amended, and confirms that such grants, bargains, sales, conveyances, mortgages, assignments, transfers and warranties are in full force and effect in favor of the Mortgagee, and (y) not in limitation of such grants, bargains, sales, conveyances, mortgages, assignments, transfers and warranties but as a supplement thereto, grants, bargains, sells, conveys, mortgages, assigns, transfers and warrants to the Mortgagee, and its successors and/or assigns, forever, with POWER OF SALE, if applicable, and right of entry as hereinafter provided, all of the Mortgaged Property described in the Original Mortgage, as previously amended.

3. *Amendment of Section 5.06.* Section 5.06(a) of the Original Mortgage, as previously amended, shall be amended to read in full as follows:

SECTION 5.06. Proceeds. (a) Upon being instructed to do so in an Enforcement Notice or in written instructions given by the Required Lenders at any time while an Enforcement Notice is in effect, subject to the mandatory provisions of applicable law, the Mortgagee shall apply the proceeds of any sale of, or other disposition of, all or any part of the Mortgaged Property whether made pursuant to the power of sale hereunder or under any applicable provision of law, any judicial proceeding or any judgment or decree of foreclosure or sale or otherwise, in the following order of priorities:

first, to pay the expenses of such sale or other disposition, including reasonable compensation to the person conducting any sale which may be agents of and counsel for the Mortgagee, and all

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expenses, liabilities and advances incurred or made by the Mortgagee in connection with the Financing Documents, and any other amounts then due and payable to the Mortgagee pursuant to Section 21 of the Security Agreement or pursuant to Section 10.03 of the Credit Agreement;

second, as provided in Section 20 of the Security Agreement.

4. Section 7.09 of the Original Mortgage is amended as follows:

Paragraph 6 of Appendix A to the Original Mortgage is amended to read in full as follows:

6. Section 7.01 is hereby replaced by the following:

Revolving Credit. This Mortgage is given to secure a "Revolving Credit" loan as defined in 815 ILCS.205/4.1 and secures not only the indebtedness from the Mortgagor to the Mortgagee existing on the date hereof but all such future advances, whether such advances are obligatory or to be made at the option of the Mortgagee, or otherwise, as are made within twenty years from the date of this Mortgage, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness secured by this Mortgage may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount of \$600,000,000.00, plus interest thereon, any disbursements made by Mortgagee for the payment of taxes, special assessments, or insurance on the above described real estate, with interest on such disbursements.

5. *References to Credit Agreement and Security Agreement*. All references in the Original Mortgage, as previously amended and as amended by this Amendment, to the "Credit Agreement" and the "Security Agreement" shall be deemed to refer to the Second Amended and Restated Credit Agreement and

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Second Amended and Restated Security Agreement, respectively, each dated as of July 18, 2007, and as they may be amended, amended and restated or otherwise modified from time to time.

6. *Ratification; No Offsets.* Except as modified hereby, the terms and conditions of the Original Mortgage, as previously amended, remain unchanged and in full force and effect and are hereby ratified and confirmed. The Mortgagor affirms and agrees that the Original Mortgage, as previously amended and as amended hereby, extends to and fully secures all of the Secured Obligations, including the Additional Availability. The Mortgagor hereby confirms that it has no defenses or offsets with respect to its obligations under the Original Mortgage, as previously amended and as amended hereby.

7. *Miscellaneous.* This Amendment may be executed in counterparts, each of which shall constitute an original and all of which together shall constitute the same instrument.

**IN WITNESS WHEREOF**, this instrument has been executed by the parties hereto as of the day first set forth above.

## MORTGAGOR:

KINDRED HEALTHCARE  
OPERATING, INC. (f/k/a VENCOR  
OPERATING, INC.)

By: 

Name:

Joseph L. Landenwich

Title:

Senior Vice President of Corporate Legal  
Affairs and Corporate Secretary

KINDRED HEALTHCARE, INC. (f/k/a  
VENCOR, INC.)

By: 

Name:

Joseph L. Landenwich


Title:

Senior Vice President of Corporate Leg.  
Affairs and Corporate Secretary

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**MORTGAGEE:**

JPMORGAN CHASE BANK, N.A., as  
Collateral Agent

By:   
Name: Dawn L. Lee Lum  
Title: Executive Director

Property of Cook County Clerk's Office

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STATE OF KENTUCKY )  
 ) ss  
COUNTY OF JEFFERSON )

On this 12<sup>th</sup> day of October, 2007 before me, the undersigned, a Notary Public in and of the State of Kentucky, personally appeared JOSEPH C. LANDENWICH who, being by me duly sworn, did say that, (s)he is the SR VP of KINDRED HEALTHCARE OPERATING, INC. (f/k/a VENCOR OPERATING, INC.), a Delaware corporation, that the instrument was signed and sealed on behalf of the corporation by authority of the corporation's Board of Directors; and that the foregoing officer acknowledged execution of the instrument to be the voluntary act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set by hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Deborah A. Allen  
Notary Public  
(Seal)

My commission expires APRIL 23, 2009

STATE OF KENTUCKY )  
 ) ss  
COUNTY OF JEFFERSON )

On this 12<sup>th</sup> day of October, 2007 before me, the undersigned, a Notary Public in and of the State of Kentucky, personally appeared JOSEPH C. LANDENWICH who, being by me duly sworn, did say that, (s)he is the SR VP of KINDRED HEALTHCARE, INC. (f/k/a VENCOR, INC.), a Delaware corporation, that the instrument was signed and sealed on behalf of the corporation by authority of the corporation's Board of Directors; and that the foregoing officer acknowledged execution of the instrument to be the voluntary act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set by hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Deborah A. Allen  
Notary Public  
(Seal)

My commission expires APRIL 23, 2009

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STATE OF NEW YORK    )  
                                   ) ss  
 COUNTY OF NEW YORK )

On this 2 day of October, 2007 before me, the undersigned, a Notary Public in and of the State of Kentucky, personally appeared Dawn L. Lee Lum, who being by me duly sworn, did say that, she is the Executive Director of JPMORGAN CHASE BANK, N.A., as Collateral Agent, a national banking association, that the instrument was signed and sealed on behalf of the association by authority of the corporation's Board of Directors; and that the foregoing officer acknowledged execution of the instrument to be the voluntary act and deed of said association.

IN TESTIMONY WHEREOF, I have hereunto set by hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Edeline C. Adderley  
 Notary Public  
 (Seal)

My commission expires September 7, 2010

EDELINE C. ADDERLEY  
 NOTARY PUBLIC, STATE OF NEW YORK  
 NO. 01AD6079940 QUALIFIED IN BRONX COUNTY  
 CERTIFICATE FILED IN NEW YORK COUNTY  
 MY COMMISSION EXPIRES SEPT. 3, 2010



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FIRST AMERICAN TITLE INSURANCE COMPANY  
ALTA LOAN POLICY FORM (1970)  
SCHEDULE C

File No.: CC200752

LEGAL DESCRIPTION:

TRACT A (FACILITY IL#4-690):

PARCEL 1:

LOTS 6, 7, 8 (EXCEPT THE EAST 26 FEET THEREOF) IN BLOCK 1; ALSO LOTS 1, 2, 3, 4 AND 15 IN BLOCK 2, IN TOWN MANOR, A SUBDIVISION OF THE NORTH 100 ACRES OF THE NORTH EAST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 OVER THE FOLLOWING:

A STRIP OF LAND OF VARIOUS WIDTHS OVER THAT PART OF LOT 14 IN BLOCK 2 IN TOWN MANOR, A SUBDIVISION OF THE NORTH 100 ACRES OF THE NORTH EAST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH WEST CORNER OF SAID LOT 14; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID LOT 133.57 FEET TO THE NORTH WEST CORNER OF SAID LOT; THENCE NORTH 83 DEGREES 15 MINUTES 38 SECONDS EAST ALONG THE NORTH LINE OF SAID LOT 42.02 FEET TO A LINE 42.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID PARALLEL LINE A DISTANCE OF 42.00 FEET; THENCE SOUTH 35 DEGREES 19 MINUTES 49 SECONDS WEST 20.76 FEET TO A POINT ON A LINE 30.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT; THENCE SOUTH 0 DEGREES 00 MINUTES SECONDS EAST ALONG SAID PARALLEL LINE A DISTANCE OF 85.00 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID LOT; THENCE SOUTH 88 DEGREES 15 MINUTES 37 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 30.01 FEET TO THE POINT OF BEGINNING OF THE STRIP OF LAND HEREIN DESCRIBED, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 OVER THE FOLLOWING:

THE NORTH 30.00 FEET OF LOT 9 IN BLOCK 1, (AS MEASURED PERPENDICULARLY TO THE NORTH LINE OF SAID LOT) IN TOWN MANOR, A SUBDIVISION OF THE NORTH 100 ACRES OF THE NORTH EAST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**UNOFFICIAL COPY****TRACT B (FACILITY IL#4-637):****PARCEL 1:**

LOTS 16 TO 25 IN BLOCK 16 IN NORTHWEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 (EXCEPT THE EAST 33 FEET LYING SOUTH OF THE NORTHWESTERN ELEVATED RAILROAD CO'S RIGHT OF WAY) OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 2:**

LOTS 16 TO 25 IN BLOCK 17 IN NORTHWEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 (EXCEPT THE EAST 33 FEET LYING SOUTH OF THE NORTHWESTERN ELEVATED RAILROAD CO'S RIGHT OF WAY) OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 3:**

LOTS 5, 7, 8, 9, 10, 11, 12, 13, 14 AND 15 IN A. S. TERRILL'S SUBDIVISION OF BLOCK 6 IN SUPERIOR COURT PARTITION OF THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**TRACT C (FACILITY IL#4-671)****PARCEL 1:**

LOTS 21, 23, 24 AND 25 IN BLOCK 10 OF COCHRAN'S SECOND ADDITION TO EDGEWATER IN THE EAST FRACTIONAL 1/2 OF SECTION 5, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

**PARCEL 2:**

LOTS 4, 5, 6, 7, 8, 9, 10 AND THE NORTH 22 FEET OF LOT 11 IN BLOCK 10 IN COCHRAN'S SECOND ADDITION TO EDGEWATER IN THE EAST FRACTIONAL 1/2 OF SECTION 5, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS.

**TRACT D (FACILITY IL#4-615)****PARCEL 1**

LOTS 1, 2, 3, 4, 5, 6, AND THE EAST 13 FEET OF LOT 7, IN BLOCK 1 OF THE HENRY L. BOIES ADDITION TO THE VILLAGE (NOW CITY) OF SYCAMORE, ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "A" OF PLATS, PAGE 39, TOGETHER WITH LOT 2 OF M.E. CHURCH ADDITION TO SYCAMORE ACCORDING TO THE PLAT THEREOF RECORDED IN BOOK "B" OF PLATS, PAGE 3, ON JUNE 7, 1876, ALL IN THE CITY OF SYCAMORE, DEKALB COUNTY, ILLINOIS.